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MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE MARKETING AREA

Volume 15 JANUARY 1971 Number 6

Released Pursuant to §1090.27 (j) and §1090.85, USDA-C&MS
Federal Order No. 90, 112 Lee Parkway Drive, Chattanooga, Tennessee 37411
J. B. McCroskey, Market Administrator

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CURRENT SERIAL RECORDS

MARKET SUMMARY - JANUARY 1971

The Federal Order MINIMUM uniform price to be paid producers for milk delivered to pool plants is $ 6.28. This hundredweight price is for milk testing 3.5% butterfat and is subject to a producer butterfat differential of 8.2 cents for each one-tenth of one percent above or below 3.5% test.

In January 1971, 70.4% of producer milk received by pool plants was priced in Class I at $6.98 per cwt. and 29.6% was priced in Class II at $4.79 per cwt. The January butterfat differential for Class I was 8.4 cents and Class II was 8.0 cents.

Total producer milk received at pool plants during January 1971 was 34,163,764 pounds which is an increase of 2,838,499 pounds or 9.1% compared with January 1970. The January daily average deliveries from 739 producers was 1,491 pounds. This compares to 752 farms delivering a daily average of 1,344 pounds per day during January 1970.

DAIRY COUNCIL AND AMERICAN DAIRY ASSOCIATION DEDUCTIONS

A request has been received by the Market Administrator from Dairymen, Inc., Tennessee Valley Division, to revise his determination that all producers supplying milk to the Chattanooga area handlers be given an opportunity to continue contributing to the Dairy Council and to the American Dairy Association at the present rates.

The Market Administrator has made a review of current producer deductions and the request of the Association representing certain Chattanooga area producers. By this and other means, in accordance with the Secretary's instructions, it is hereby determined there is no significant opposition by area milk producers to making deductions for the support of these programs.

It is now possible, as a result of this determination, for Chattanooga Area handlers to cooperate with American Dairy Association and Dairy Council programs by making specific hundredweight deductions (DC 1¢ and ADA 5¢) from payments to milk producers, provided the handler gives each producer notice of his intentions to make these deductions for one year beginning with February 1971 deliveries. All handlers are advised not to make a deduction if a producer writes requesting that no such deduction be made. Market Administrator auditors will examine all letters which producers send handlers regarding these deductions. We will also verify that the proper agency receives all money deducted for its support from producer payments.

/s/ J. B. McCroskey
Market Administrator

COMPARISON OF MILK RECEIPTS AND UTILIZARION

	% Jan.'71 Over Jan.'70	Jan. 1971	Dec. 1970	Jan. 1970
Number of Plants - Pool		6	6	7
- Non-Pool		13	13	13
RECEIPTS POUNDS (DAILY AVERAGE)				
Producer Milk	+ 9.1	1,102,057	1,103,575	1,010,492
Other Source	- 25.8	27,674	26,838	37,319
Other Federal Orders	- 63.2	71,405	82,500	193,979
TOTAL MILK RECEIPTS	- 3.3	1,201,136	1,212,913	1,241,790
UTILIZATION POUNDS (DAILY AVERAGE)				
Class I Uses				
Homo Milk	- 5.1	422,213	446,280	444,911
Skim - Regular	- 1.3	20,616	21,214	20,896
Skim - 2% Milk	+ 6.2	109,275	107,703	102,936
Buttermilk	+ 4.2	53,007	53,334	50,867
Flavored Milk and Drink	- 7.8	14,935	15,912	16,201
Creams (Sweet and Sour)	+ 1.4	3,048	4,459	3,007
Sub Total - Pkg. Products (Pool Plants)	- 2.5	623,094	648,902	638,818
Other (Shrinkage, Inventory, etc.)		12,090	791	4,121
Sales to Non-Pool Plants		154,185	124,532	149,608
In Area Sales by Non-Pool Plants	+ 15.8	48,759	47,968	42,101
TOTAL CLASS I MILK	+ 0.4	838,128	822,193	834,648
Class II Uses - Pool Plants				
Ice Cream Mixes	+ 34.5	47,057	37,929	34,980
Cottage Cheese	+ 12.2	40,653	33,880	36,247
Powdered and Condensed Milk		-0-	36,501	6,366
Livestock Feed and Milk Dumped		6,232	7,202	5,953
Sub-Total - Used to Produce	+ 12.4	93,942	115,512	83,546
Shrinkage Class II		17,234	7,128	15,121
Other (Inventory Variation, etc.)		32,034	(900)	17,722
Bulk Sales to Non-Pool Plants		219,798	268,980	290,753
TOTAL CLASS II MILK	- 10.8	363,008	390,720	407,142
Class I Pkg. Lbs. In Area - Pool Plants	- 2.5	480,938	475,363	493,215
Class I Pkg. Lbs. Out of Area - Pool Plants	- 2.4	142,156	173,539	145,603
Class I Pkg. Lbs. In Area - Non-Pool Plants	+ 15.8	48,759	47,968	42,101
% Producer Milk of Gross Class I		131.5	134.2	121.1
% Producer Milk Priced in Class I		70.4	68.9	77.1

PRODUCER MILK BASES - 1971

Federal Order Milk bases for producers will be announced by February 28, 1971. Milk Bases were established during September 1970 thru January 1971. These bases are to be used for calculating payment to producers for milk deliveries during March thru July 1971. If you do not receive your Milk Base Notice soon after March 1, 1971, please notify the Market Administrator, P. O. Box 8085, Chattanooga, Tennessee 37411.

COMPUTATION OF PRODUCER UNIFORM PRICE

JANUARY 1971	Class %	Milk Pounds	Butterfat Test - %	Cwt. Price @ Test	Gross Value
Gross Class I		25,981,974	3.281		
Less Other Source		1,940,330	2.768		
Producer Milk Class I	70.4	24,041,644	3.322826	$6.831174	$1,642,326.53
Gross Class II		11,253,240	5.552		
Less Other Source		1,131,120	2.354		
Producer Milk Class II	29.6	10,122,120	5.909157	6.717326	679,935.80
TOTAL PRODUCER MILK (Cl.I+Cl.II)	100.0	34,163,764	4.089110		$2,322,262.33
Less Fractional Adjustment					.02
Add Value of Other Source Receipts Allocated to Class I and Location Adj.		2,066	0.00	4.04	83.47
Add ½ Producer-Settlement Fund Reserve					5,287.59
TOTAL VALUE AT TEST		34,165,830	4.088863	$6.812752	$2,327,633.37
Less Test over 3.5% @ 8.2¢ per point		34,165,830	.588863	0.482868	164,975.86
TOTAL UTILIZATION VALUE AT 3.5%		34,165,830		$6.329884	$2,162,657.51
Less Producer-Settlement Fund Reserve		34,165,830		.049884	17,043.28
PRODUCER UNIFORM PRICE - 3.5% TEST		34,165,830	3.5	$6.28	$2,145,614.23

JANUARY 1971 ORDER MINIMUM PRODUCER PRICES CWT. F.O.B. CHATTANOOGA POOL PLANTS

BUTTERFAT DIFFERENTIAL 8.2¢ PER POINT (EXCLUDES PREMIUMS)

TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE
3.0	$5.87	3.6	$6.362	4.2	$6.854	4.8	$7.346	5.4	$7.838
3.05	5.911	3.65	6.403	4.25	6.895	4.85	7.387	5.45	7.879
3.1	5.952	3.7	6.444	4.3	6.936	4.9	7.428	5.5	7.92
3.15	5.993	3.75	6.485	4.35	6.977	4.95	7.469	5.55	7.961
3.2	6.034	3.8	6.526	4.4	7.018	5.0	7.51	5.6	8.002
3.25	6.075	3.85	6.567	4.45	7.059	5.05	7.551	5.65	8.043
3.3	6.116	3.9	6.608	4.5	7.10	5.1	7.592	5.7	8.084
3.35	6.157	3.95	6.649	4.55	7.141	5.15	7.633	5.75	8.125
3.4	6.198	4.0	6.69	4.6	7.182	5.2	7.674	5.8	8.166
3.45	6.239	4.05	6.731	4.65	7.223	5.25	7.715	5.85	8.207
3.5	6.28	4.1	6.772	4.7	7.264	5.3	7.756	5.9	8.248
3.55	6.321	4.15	6.813	4.75	7.305	5.35	7.797	5.95	8.289

KNOXVILLE SUPPLY-DEMAND ADJUSTOR TERMINATED

The Consumer and Marketing Service, Dairy Division, deleted from the Knoxville, Tennessee, Federal Milk Marketing Order the supply-demand adjustor which affected the bottling milk (ClassI) price paid by handlers to dairy farmers. Knoxville and Chattanooga market handlers asked for the action to prevent wide fluctuations in bottling milk prices between the two markets resulting from this supply-demand price adjustment mechanism.

The supply-demand adjustor in the Knoxville order was the only one still in effect in any federal milk order. Its deletion will prevent the erratic adjustments which have affected the Knoxville Class I price, and provide a better alignment of prices among the Knoxville, Chattanooga and Georgia markets. Notice of the termination, as proposed, was published in the Federal Register January 28, 1971 and no views opposing it were received.

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT TEST)

Date	PRODUCER UNIFORM PRICES 1/ Per Hundredweight				HANDLER CLASS PRICES 1/			
					Class I		Class II	
	Uniform	Base	Excess	Bf. Dif.	Cwt.	Bf. Dif.	Cwt.	Bf. Dif.
Jan. '70	$6.29	-	-	8.0¢	$6.78	8.2¢	$4.67	7.8¢
Feb.	6.26	-	-	8.0	6.82	8.1	4.63	7.8
Mar.	6.15 2/	$6.30	$4.58	8.0	6.78	8.1	4.58	7.8
Apr.	6.09 2/	6.29	4.60	8.2	6.73	8.2	4.60	8.0
May	5.99 2/	6.16	4.58	8.2	6.75	8.4	4.58	8.0
June	6.06 2/	6.20	4.61	8.2	6.73	8.4	4.61	8.0
July	6.14 2/	6.31	4.60	8.2	6.76	8.4	4.60	8.0
Aug.	6.01	-	-	8.2	6.75	8.4	4.61	8.0
Sept.	6.32	-	-	8.4	6.76	8.4	4.66	8.1
Oct.	6.39	-	-	8.4	6.81	8.5	4.77	8.1
Nov.	6.47	-	-	8.2	6.92	8.4	4.82	8.0
Dec.	6.30	-	-	8.2	6.97	8.4	4.83	8.1
Jan. '71	6.28	-	-	8.2	6.98	8.4	4.79	8.0
Feb.	-	-	-	-	6.94	8.4	-	-

Date	PRICE QUOTATIONS				PRODUCER MILK USE (Daily Average)			
	Chi-92° Butter ¢ Lb.	Chi. Area Powder ¢ Lb.	Minn/Wisc. Mfg. Milk $-Cwt-3.5%	Basic Formula Minimum	Class I Pounds	Class I Test %	Class II Pounds	Class II Test-%
Jan. '70	67.61	23.00	$4.67	$4.33	779,375	3.41	231,117	6.54
Feb.	67.60	23.15	4.63	4.33	774,028	3.42	259,675	5.73
Mar.	67.95	23.18	4.58	4.33	761,892	3.35	298,922	5.25
Apr.	69.83	25.96	4.60	4.33	784,446	3.34	332,976	4.84
May	69.85	26.84	4.58	4.33	708,369	3.29	365,773	4.53
June	69.81	26.77	4.61	4.33	690,927	3.26	324,444	4.67
July	69.80	27.02	4.60	4.33	715,318	3.27	284,243	4.65
Aug.	69.80	26.85	4.61	4.33	694,169	3.27	347,743	4.45
Sept.	70.52	26.86	4.66	4.33	881,429	3.25	209,852	5.48
Oct.	70.12	26.85	4.77	4.33	875,572	3.37	221,288	5.94
Nov.	69.88	26.82	4.82	4.33	848,594	3.41	226,279	6.46
Dec.	70.40	26.90	4.83	4.33	760,876	3.36	342,699	5.48
Jan. '71	69.77	26.91	4.79	4.33	775,537	3.32	326,520	5.91

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLERS GROSS MILK 3/			PRODUCER DATA				DELIVERIES PER Farm ---- Pounds		
	No. Hdlers.	Total Receipts	Class I Use	No. Prod.	Total Delivery	Base Delivery	Average Test-%	Prod.	Base	Exc.
Jan. '70	20	1,241,790	834,648	752	1,010,492	-	4.12	1,344	-	-
Feb.	21	1,359,501	835,831	748	1,033,703	-	4.00	1,382	-	-
Mar.	21	1,397,629	824,119	745	1,060,814	971,078	3.89	1,424	1,303	121
Apr.	21	1,407,342	843,811	743	1,117,422	988,522	3.79	1,504	1,330	174
May	21	1,258,907	768,561	741	1,074,142	965,184	3.71	1,450	1,303	147
June	21	1,153,003	752,470	739	1,015,371	924,399	3.71	1,374	1,251	123
July	21	1,124,146	775,421	744	999,561	903,625	3.66	1,343	1,215	128
Aug.	21	1,153,814	753,698	742	1,041,912	-	3.66	1,404	-	-
Sept.	20	1,184,034	952,991	742	1,091,281	-	3.68	1,471	-	-
Oct.	20	1,196,873	948,068	748	1,096,860	-	3.89	1,466	-	-
Nov.	20	1,166,551	910,227	745	1,074,873	-	4.06	1,443	-	-
Dec.	19	1,212,913	822,193	743	1,103,575	-	4.02	1,485	-	-
Jan. '71	19	1,201,136	838,128	739	1,102,057	-	4.09	1,491	-	-

1/ Excludes Premiums

2/ Weighted average Price

3/ Other Source is Gross minus Producer Class II is Receipts minus Class I

PRODUCTION BY STATES AND COUNTIES FOR THE CHATTANOOGA MARKETING AREA

States and Counties	December 1970 Pounds Milk Delivered	% of Total	No of Prod.	Daily Av. Lbs. Per Farm	December 1969 Pounds Milk Delivered	% of Total	No. of Prod.	Daily Av. Lbs. Per Farm
TENNESSEE								
Bledsoe	499,570	1.46	18	895	447,891	1.42	18	803
Bradley	3,263,680	9.54	89	1,183	3,104,404	9.81	93	1,077
Coffee	131,658	.38	3	1,416	100,288	.32	3	1,078
Cumberland	1,261,213	3.69	30	1,356	931,153	2.94	24	1,252
Fentress	393,712	1.15	15	847	380,084	1.20	14	876
Franklin	1,756,445	5.13	40	1,417	1,744,862	5.51	42	1,340
Hamilton	1,679,667	4.91	30	1,806	1,716,430	5.42	33	1,678
Lincoln	231,170	.68	4	1,864	1/	-	-	-
Loudon	2,777,406	8.12	51	1,757	2,271,233	7.18	49	1,495
Marion	400,464	1.17	15	861	338,771	1.07	15	729
McMinn	6,586,026	19.25	138	1,540	6,238,159	19.72	151	1,333
Meigs	1,175,386	3.44	26	1,458	1,089,937	3.44	27	1,302
Monroe	4,588,824	13.41	90	1,645	4,388,231	13.87	91	1,556
Overton	746,363	2.18	19	1,267	524,851	1.66	17	996
Polk	1,217,473	3.56	20	1,964	1,090,516	3.45	20	1,759
Putnam	778,913	2.28	20	1,256	534,044	1.69	17	1,013
Rhea	686,701	2.01	20	1,108	776,016	2.45	23	1,088
Sequatchie	473,307	1.38	12	1,272	601,291	1.90	13	1,492
White	1,016,721	2.97	19	1,726	720,880	2.28	18	1,292
Others 1/	252,080	.74	6	1,355	364,187	1.15	6	1,958
Total	29,916,779	87.45	665	1,451	27,363,228	86.48	674	1,310
GEORGIA								
Catoosa	1,719,083	5.02	25	2,218	1,596,585	5.05	25	2,060
Gilmer	231,139	.68	6	1,243	221,049	.70	6	1,189
Murray	189,887	.56	3	2,042	193,101	.61	3	2,076
Walker	1,016,924	2.97	21	1,562	880,028	2.78	21	1,352
Whitfield	625,847	1.83	13	1,553	696,384	2.20	17	1,321
Others 2/	250,230	.73	5	1,614	235,240	.74	5	1,518
Unknown 3/	-	-	-	-	128,609	.41	16	-
Total	4,033,110	11.79	73	1,782	3,950,996	12.49	93	1,370
ALABAMA								
Cherokee			3				4	
DeKalb			1				1	
Jackson			1				1	
Total 4/	260,934	.76	5	1,683	326,645	1.03	6	1,756
TOTAL MARKET	34,210,823	100.00	743	1,485	31,640,869	100.00	773	1,320

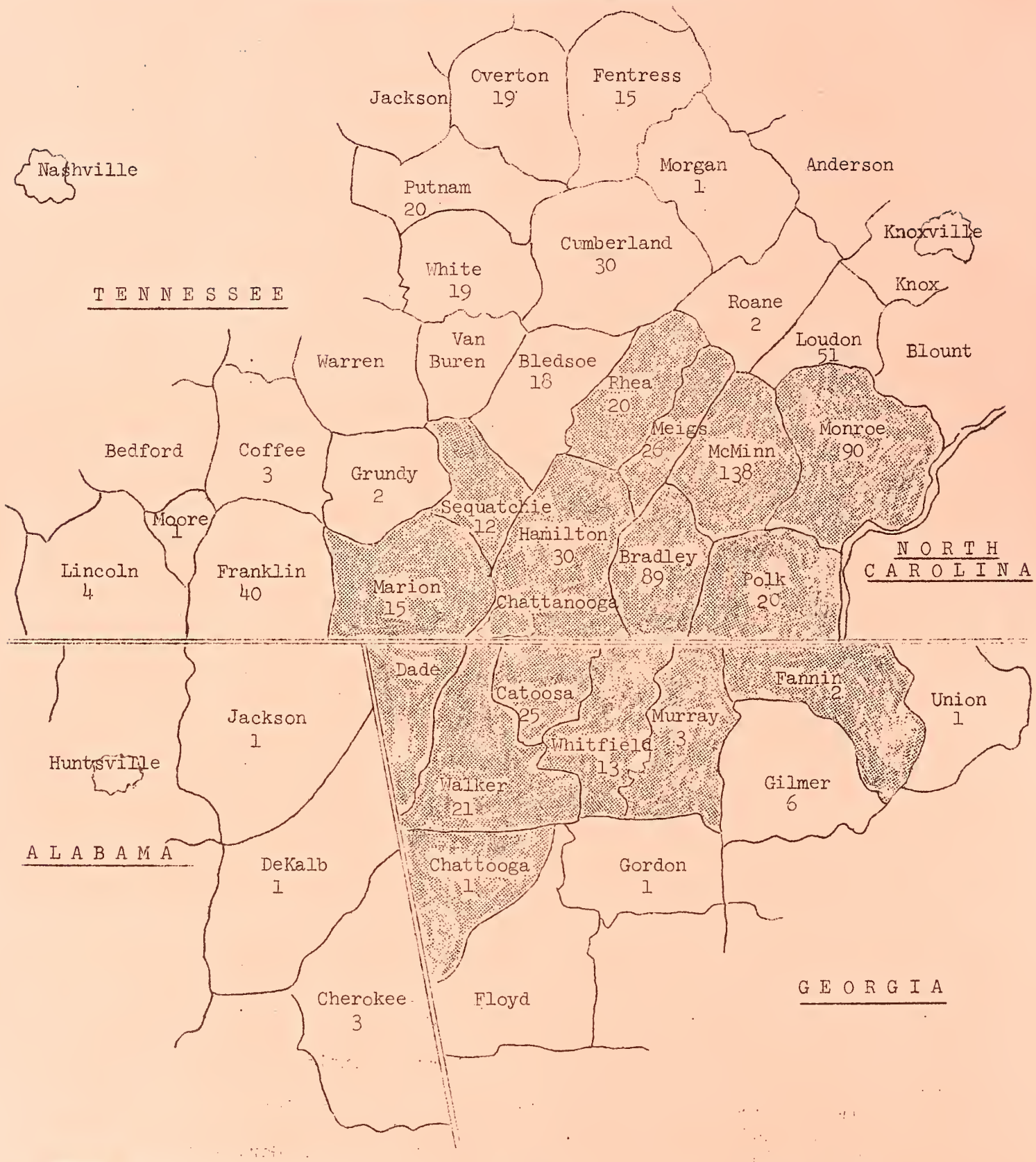
1/ 1970 - Includes one producer in each Moore and Morgan Counties and two producers in each Grundy and Roane Counties.
1969 - Includes one producer in each of Grundy and Moore Counties and two producers in each of Lincoln and Roane Counties.

2/ Both 1970 and 1969 includes one producer in each of Chattooga, Gordon and Union Counties and two producers in Fannin County.

3/ Represents deliveries from producers not normally associated with the Chattanooga Market

4/ Alabama totals only are shown since information is restricted by counties.

CHATTANOOGA AREA MILKSHED - DECEMBER 1970



CHATTANOOGA MILK MARKETING AREA - As defined in Federal Order No. 90 includes all the territory within the boundaries of Bradley, Hamilton, Marion, McMinn, Meigs, Monroe, Polk, Rhea and Sequatchie Counties in Tennessee and Catoosa, Chattooga, Dade, Fannin, Murray, Walker and Whitfield Counties in Georgia. Figures represent number of producers.